

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1006

February 21, 2021

SUMMARY OF BILL: Increases, from 10 to 25 Megabits per second (Mbps), the minimum download speed and increases, from 1 to 3 Mbps, the minimum upload speed thresholds of broadband service for eligibility to receive a grant under the Broadband Accessibility Grant Program (BAGP).

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The Federal Communications Commission (FCC) defines broadband service as a minimum 25 Mbps download and 3 Mbps upload speed.
- While Tenn. Code Ann. § 4-3-708 establishes minimum speed thresholds which are lower than the FCC's thresholds for eligibility to receive a grant under the BAGP, it is reasonably assumed that BAGP grant applicants currently provides broadband service meeting the FCC's definition.
- The Governor's proposed budget for FY21-22, on page B-309, provides for a non-recurring state appropriation of \$200,000,000 to the Department of Economic and Community Development to provide grants and tax credits to increase broadband accessibility.
- Increasing the minimum download and upload speed thresholds required to be eligible to receive a grant under the BAGP will not alter current levels of state appropriations made to the BAGP; therefore, any fiscal impact to state government is considered not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- The FCC defines broadband service as a minimum 25 Mbps download and 3 Mbps upload speed.

- It is reasonably assumed that private companies applying for a grant under the BAGP currently provide broadband service which meets the FCC's definition of broadband.
- Increasing the minimum download and upload speed thresholds required to be eligible to receive a grant under the BAGP will not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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